

**DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**

**COMMAND AUDIT OF  
MADERA AREA**



**FINAL REPORT**

**APRIL 9, 2010**

**M e m o r a n d u m**

Date: April 9, 2010

To: Office of the Commissioner  
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2009 COMMAND AUDIT REPORT OF MADERA AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* § 2020, issued by the Institute of Internal Auditors, Government Code §13887 (a)(2), and the California Highway Patrol (CHP) Audit Charter, I am issuing the 2009 Command Audit Report of Madera Area. The audit focused on the command's Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Madera Area command agreed with the findings and plans to take corrective actions to improve its operations. The command will be required to provide quarterly updates to the Office of Inspections on the progress of their corrective action plan implementation until the command has resolved all deficiencies. Additionally, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

The Madera Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. Also, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887 (a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Field; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; Central Division;

***Safety, Service, and Security***

Office of the Commissioner

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and the Madera Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

Furthermore, in accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspections would like to thank Madera Area command's management and staff for their cooperation during the audit. If you need further information, please contact Captain Ernie Sanchez at (916) 843-3160.

A handwritten signature in blue ink, appearing to read "M. C. A. Santiago".

M. C. A. SANTIAGO, CIG, CLEA  
Assistant Commissioner

cc: Office of the Assistant Commissioner, Field  
Central Division  
Madera Area  
Office of Legal Affairs  
Office of Inspections

*BUSINESS, TRANSPORTATION AND HOUSING AGENCY*

*DEPARTMENT OF CALIFORNIA HIGHWAY PATROL*

*COMMAND AUDIT OF MADERA AREA*

*OFFICE OF INSPECTIONS, AUDITS UNIT*

*APRIL 9, 2010*

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# EXECUTIVE SUMMARY

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The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the Madera Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was from January 1, 2008 through February 28, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of July 1, 2008 through February 28, 2009. The audit included a review of existing policies and procedures, as well as, the examining and testing of recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from March 9 - 13, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the Madera Area's operations, this audit revealed the Madera Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

## **DUI Cost Recovery Program**

- The command did not always properly complete and maintain their DUI Cost Recovery Program documents.
- The command did not ensure the accuracy of their DUI Cost Recovery Program documents.
- The command did not always submit DUI Cost Recovery Program billing packages timely to Fiscal Management Section.

**Note: It is the Office of Inspections' opinion that the finding related to ensuring the accuracy of the command's DUI Cost Recovery Program documents (second bullet listed above) is of moderate to high risk to the CHP.**

## **Asset Forfeiture Program**

- The command did not always submit the Memorandum of Understanding timely to their Division.

Please refer to the Findings and Recommendations section for detailed information.

# AUDIT REPORT

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## INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the Madera Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

## OBJECTIVE AND SCOPE

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through February 28, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of July 1, 2008 through February 28, 2009. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from March 9 - 13, 2009.

## METHODOLOGY

Under the direction of the Office of the Commissioner, each command was randomly selected to be audited regarding its DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings of this command.

## OVERVIEW

**DUI Cost Recovery Program:** The command was compliant with most state laws and departmental policies and has adequate internal controls regarding their DUI Cost Recovery Program. However, the command did not always properly complete and maintain their DUI Cost Recovery Program documents; did not ensure the accuracy of their DUI Cost Recovery Program documents; and did not always submit DUI Cost Recovery Program billing packages timely to Fiscal Management Section.

**Asset Forfeiture:** The command was compliant with state laws and most departmental policies and has adequate internal controls regarding their Asset Forfeiture Program. However, the command did not always submit the Memorandum of Understanding timely to their Division.

This audit revealed the command has adequate operations, nevertheless, issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

# FINDINGS AND RECOMMENDATIONS

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## DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

**FINDING 1:**           **The command did not always properly complete and maintain their DUI Cost Recovery Program documents.**

**Condition:**           From July 1, 2008 to February 28, 2009, the command generated 99, CHP 735, Incident Response Reimbursement Statement forms. The auditor randomly selected 28 (28 percent) DUI Cost Recovery Program billing packages for review. Based on the review, six (21 percent) billing packages were not available for review; only three (11 percent) billing packages were not reviewed or approved; and the Area command's Information System Log did not contain complete information such as the California Vehicle Code Section violation, blood alcohol concentration test results, and date the CHP 735 was forwarded to Fiscal Management Section (FMS).

**Criteria:**           Government Code (GC) Section 13403(a)(6) says one of the elements of a satisfactory system of internal accounting and administrative control is an effective system of internal review.

Highway Patrol Manual (HPM) 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 5.a. states, "CHP 735A, Case Log – DUI Cost Recovery Program, is available to assist Area offices in tracking cases (refer to Annex D). The use of this form is optional. Area offices using this form, or any other case monitoring system (i.e., logging method), shall include the following information:

- (1) Defendant Information. Defendant's full name and street address.
- (2) Violation Information. Incident date and CVC Section violated (e.g., 23152, 23153, or greater offense involving alcohol).
- (3) Court Information. Court name, case number, and conviction date (if applicable).
- (4) Fiscal Management Section Information. Date the CHP 735, Incident Response Reimbursement Statement, was forwarded to FMS.
- (5) Blood Alcohol Concentration Test Results. Results of the supporting BAC test."

**Recommendation:**   The command should properly complete and maintain their DUI Cost Recovery Program documents according to departmental policy.

**FINDING 2:**           **The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.**

**Condition:**           Based on the review of 22 available DUI Cost Recovery billing packages, the auditor determined the hours billed on all 22 (100 percent) CHP 735 forms did not reconcile to the associated CHP 415, Daily Field Record forms because the officers did not itemize billable hours on their CHP 415 forms; all 22 billing packages revealed the offender's court case numbers, and the names were not recorded on the CHP 415 forms. During the audit field work, the auditor noted the command took immediate action to resolve these issues.

**Criteria:**           GC Section 13403(a)(6) says one of the elements of a satisfactory system of internal accounting and administrative control is an effective system of internal review.

HPM 11.1, Administrative Procedure Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.e.(2)(c) states, "The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area office must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender's name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record."

**Recommendation:**   The command should verify the number of billable staff hours claimed on the CHP 735 forms with the CHP 415 forms to substantiate the billable hours billed. In addition, the command should include the offender's court case number and name on the CHP 415 forms.

**FINDING 3:**           **The command did not always submit DUI Cost Recovery Program billing packages timely to FMS.**

**Condition:**           Based on the review of 22 DUI Cost Recovery billing packages, three (14 percent) billing packages were submitted to FMS from 19 to 30 business days after receiving the necessary information required to submit the billing package.

**Criteria:**           HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b.(1) states, "Completed CHP 735s, Incident Response Reimbursement Statement, based on Section A (refer to Annex B) shall be forwarded to Fiscal Management Section (FMS),

Reimbursable Services Unit, within ten business days of one of the following dates:

- (a) The date BAC results of .08% or greater are received.
- (b) The date BAC results of .04% or greater are received for a commercial driver.”

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b.(2) states, “Completed CHP 735s, Incident Response Reimbursement Statement, based on Section B (refer to Annex C) shall be forwarded to FMS, Reimbursable Services Unit, within ten business days of the notification of a conviction of CVC Sections 23152, 23153, or greater offense as a result of one of the following:

- (a) In the case of a refusal.
- (b) An arrest for drugs only.
- (c) A BAC of less than .08%.”

**Recommendation:** The command should comply with departmental policy related to the timely submission of DUI Cost Recovery billing packages to FMS.

### **ASSET FORFEITURE**

**FINDING 1:** The command did not always submit the Memorandum of Understanding (MOU) timely to their Division.

**Condition:** Based on a review of a 2009 MOU, the command submitted the MOU to their Division on March 1, 2009. Although it was only submitted 30 days late, policy requires copies of renewed MOUs be forwarded to their Division no later than February 1 of each year.

**Criteria:** HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 4.b. states, “Annual Review. Area AFCs shall review their respective MOUs annually in order to ensure the agreements are current. Area AFCs shall forward copies of renewed MOUs to their Division no later than February 1 of each year. Divisions shall forward copies to FSS no later than March 1. For MOUs not requiring renewal, the Area AFC shall sign and date the MOU on the signature page with the notation “Reviewed - no changes required.”

**Recommendation:** The command should comply with departmental policy to submit timely copies of MOUs to their Division.

## CONCLUSION

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Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

# **ANNEX**

## **A**

**M e m o r a n d u m****C O N F I D E N T I A L**

Date: March 22, 2010

To: Office of the Assistant Commissioner, Inspector General

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Madera Area

File No.: 450.11396.10759

Subject: WRITTEN DISPOSITION TO DRAFT 2009 COMMAND AUDIT REPORT OF  
MADERA AREA

On March 3, 2010, Madera Area Commander, Lieutenant Dave Paris was presented with the Findings and Recommendations resulting from the 2009 Command Audit Report of the Madera Area. This audit focused on the Driving Under the Influence (DUI) Cost Recovery Program and the Asset Forfeiture Program.

Driving Under the Influence (DUI) Cost Recovery Program

**FINDING 1:**

**The Command did not always properly complete and maintain their DUI Cost Recovery Program documents.**

The Madera Area Command accepts responsibility for this finding and has the following accountability plan in place to ensure compliance with departmental policy.

- A. Final copies of the CHP 735 that contain the Commander's approval signature.
- B. The California Vehicle Code section violation.
- C. The blood alcohol concentration results.
- D. The date the CHP 735 was forwarded to the Fiscal Management Section (FMS).

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BY: *[Signature]*

**FINDING 2:**

**The command did not always ensure the accuracy of their DUI Cost Recovery Program Documents.**

The Madera Area Command accepts responsibility for this finding and has the following accountability plan in place to ensure compliance with departmental policy.

- A. Sergeants review all CHP 735 forms and related CHP 415 forms associated with the incident to ensure the accuracy of the billable hours.
- B. Sergeants review all CHP 415 forms associated with the incident to ensure the billable hours are itemized accurately.
- C. Sergeants review all CHP 415 forms associated with the incident to ensure the offenders court case number and names are recorded accurately.

**FINDING 3:**

**The command did not always submit DUI Cost Recovery Program packages timely to the FMS.**

The Madera Area Command accepts responsibility for this finding and has the following accountability plan in place to ensure compliance with departmental policy.

- A. Sergeants review all arrest reports and ensure officers submit the CHP 735 and CHP 415 with the completed report.
- B. The command maintains a suspense file to ensure timely reporting of the CHP 735 packages to the FMS.

Asset Forfeiture

**FINDING 1:**

**The command did not always submit Memorandum of Understanding (MOU) timely to their Division.**

The Madera Area Command accepts responsibility for this finding and has the following accountability plan in place to ensure compliance with departmental policy.

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- A. The command developed a suspense file to ensure all Memorandum of Understanding documents are submitted to Division by first of February for each calendar year.

A handwritten signature in dark ink, appearing to read "D. Paris", is positioned above the typed name.

D. PARIS, Lieutenant  
Commander